

Education Cabinet

Kentucky's unemployment rate down in December

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Kentucky's seasonally adjusted unemployment rate fell from 5.5 percent in November 2006 to 5.2 percent in December 2006, according to the Office of Employment and Training, an agency of the Kentucky Education Cabinet. December 2006's jobless rate was more than a percentage point below December 2005's rate of 6.5 percent.

The U.S. seasonally adjusted jobless rate remained at the 4.5 percent level from November 2006 to December 2006, according to the U.S. Department of Labor.

"December's 5.2 percent unemployment rate equaled the lowest rate we have seen in more than two years. Kentucky's unemployment rate has remained below 6 percent for the past five consecutive months. Kentucky was one of 38 states that had a lower unemployment rate in December 2006 than a year ago in December," said Carlos Cracraft, the department's chief labor market analyst. "Kentucky was one of 21 states plus the District of Columbia that reported unemployment rates above the U.S. average of 4.5 percent in December 2006."

Eight of the 11 major nonfarm job North American Industry Classification System (NAICS) sectors reported employment increases in December, while the remaining three decreased, according to Cracraft. The increase of 2,500 jobs brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,848,000 last month.

"Kentucky's nonfarm employment has risen in nine of the 12 months of 2006 and has risen by 12,000 since December 2005. Altogether, 49 states and the District of Columbia recorded over-the-year nonfarm payroll employment increases in December 2006, with Michigan as the only exception," Cracraft added.

According to the seasonally adjusted employment data, employment in the professional and business services sector rose by 1,400 jobs in December 2006. This area had 3,600 more employees in December 2006 than in December 2005. The professional and business services sector includes professional, scientific and technical services, and management of companies and administrative and support management, including temporary help agencies.

"The professional and business services sector showed the most growth of any Kentucky sector in December 2006. The sector has experienced employment increases in each of the past five months, and in eight of the past 10 months," Cracraft said.

Kentucky's leisure and hospitality sector went up by 700 jobs in December 2006. Since December 2005, the sector's employment has increased by 4,200 positions. The sector includes arts, entertainment, recreation, accommodations and food services and drinking places industries.

"The leisure and hospitality area has been a bright spot during most of 2006. Employment increases have been recorded during eight months of 2006 with the strongest growth being in the food services and drinking places industries," stated Cracraft.

Kentucky's trade, transportation and utilities sector recorded an increase of 600 jobs in December 2006. This area includes retail and wholesale trade, transportation and utilities businesses, and warehousing, and is the largest sector in Kentucky with 383,000 employees. Since December 2005, the number of jobs in this sector has increased by 2,300.

The educational and health services sector rose by 500 jobs in December 2006. Since last December, this segment has expanded

by 4,700 jobs. This sector includes private and nonprofit establishments that provide either education and training, or health care and social assistance to their clients, Cracraft said.

The natural resources and mining sector had 200 more jobs in December 2006 compared to November 2006. Since December 2005, the segment has risen by 1,100 jobs, mainly in the coal mining industry.

"Employment in the natural resources and mining sector has been on the rise for the past two-and-a-half years after experiencing many years of gradual decline in the number of jobs. Approximately, 4,000 jobs have been added during that time," said Cracraft.

Employment in the other services sector, which includes such establishments as repair and maintenance places, personal and laundry services, religious organizations, and civic and professional organizations, increased by 200 jobs in December 2006. This area had 900 fewer employees in December 2006 than in December 2005.

Kentucky's construction sector gained 100 jobs in December 2006. Since December 2005, employment in this job area has added 1,900 jobs. Most of the hires have been in specialty trades, such as contractors involved in pouring concrete, site preparation, plumbing, painting and electrical work, Cracraft said.

The financial activities sector grew by 100 jobs in December 2006. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has gained 400 jobs over the past 12 months.

On the negative side, Kentucky's manufacturing sector recorded 800 fewer jobs in December 2006 than in November 2006. Compared to December 2005, the sector had 7,300 fewer positions in December 2006.

"The manufacturing sector has recorded job losses in eight of the 12 months of 2006," Cracraft said.

The government sector, which includes public education, fell by 300 jobs in December 2006. Since December 2005, this sector has gained 2,300 jobs.

The information sector recorded a drop of 200 positions in December 2006. This segment, which includes firms involved in publishing, Internet activities and broadcasting and news syndication, had 300 fewer jobs in December 2006 than in December 2005.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for December 2006 was 1,954,995 on a seasonally adjusted basis. This figure is up 10,117 from the 1,944,878 employed in November 2006, and up 71,651 from the 1,883,344 employed in December 2005.

The monthly estimate of the number of unemployed Kentuckians for December 2006 was 106,786. This figure is down 5,860 from the 112,646 unemployed in November 2006, and down 23,222 from the 130,008 Kentuckians unemployed in December 2005.

The monthly estimate of the number of Kentuckians in the civilian labor force for December 2006 was 2,061,781. This figure is up 4,257 from the 2,057,524 recorded in November 2006, and up 48,429 from the 2,013,352 recorded for December 2005.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working. Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.

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